

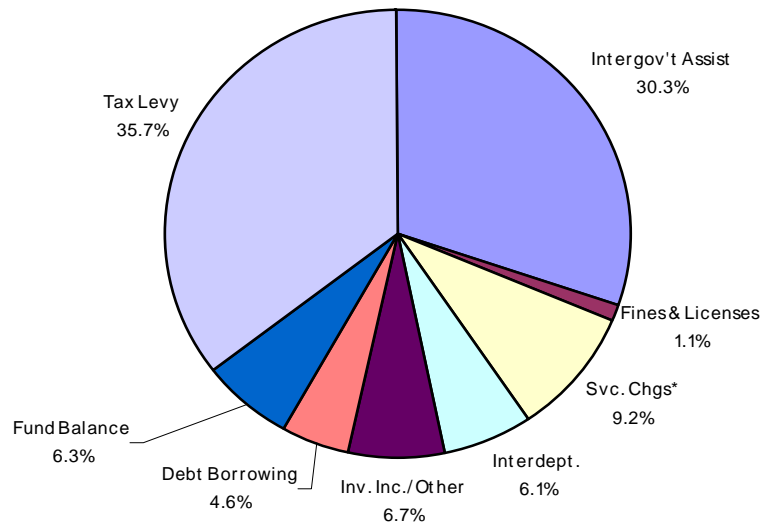
2002 REVENUE HIGHLIGHTS

Revenue Budget:

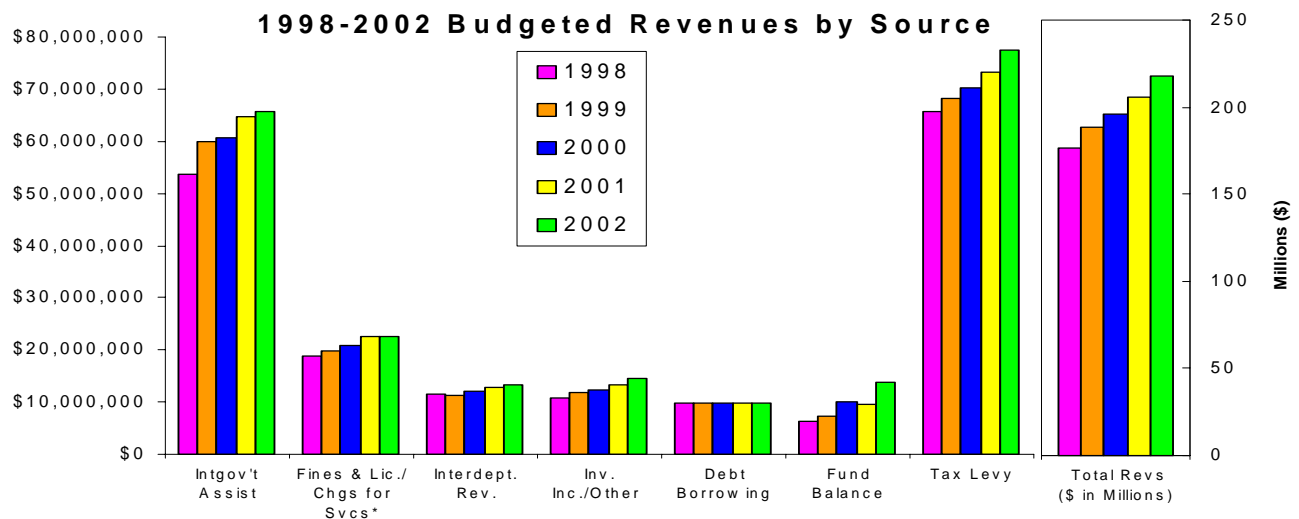
The 2002 revenue budget (excluding property tax levy, fund balance appropriations and revenue generating retained earnings) totals \$126,123,965, an increase of \$2,989,623 or 2.43% from the 2001 adopted budget. The net revenue budget is \$112,806,396 after elimination of \$13,317,569 of interdepartmental revenues (mostly from internal service funds), which are in essence double-budgeted. The 2002 revenues consist of departmental operating revenues budgeted at \$112,257,965 and capital project funding at \$13,866,000 including \$9,900,000 from planned borrowing. Overall, the operating revenues increase \$3,164,027 or 2.90% from the prior year budget. The increase is primarily due to a \$767,746 or a 1.3% increase in Intergovernmental Assistance Revenue and \$1,009,161 or a 16% increase in Other Revenues.

The graph below reflects the ratio of revenue sources budgeted for 2002 to all revenue sources, with Tax Levy (35.7%) and Intergovernmental Assistance (30.3%) as the major revenue components.

2002 Revenue Sources as a Percent of Total



The graph below reflects the revenue budgeted from all sources for 1998-2002. Nearly all sources have shown annual increases during the five-year period.



*Excludes retained earnings.

Detailed revenue highlights are included within each functional area summary. A summary of highlights and major changes from the 2001 adopted revenue budget, by source, follows.

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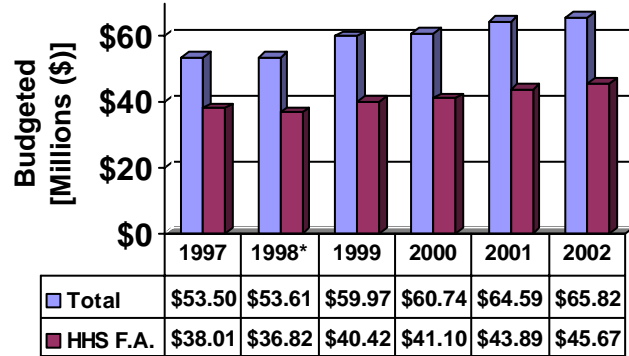
The property tax levy is not considered revenue for purposes of this section. Similarly, fund balance appropriations are not considered revenues, but rather reappropriation of prior years' funding used to reduce the amount of taxes that must be levied.

Intergovernmental Assistance:

Total 2002 intergovernmental contracts, grants and State aids are budgeted at more than \$65,817,954 representing an increase of approximately \$1,224,000 or 1.9% from the previous year's budget.

The Health and Human Services Functional Area (HHS F.A.) receives the majority of its funding from Federal / State intergovernmental assistance. The Health and Human Services Functional Area includes the Depts. of Health and Human Services, Senior Services, Veterans, Child Support, and Community Development Block Grant. Increase in annual funding is mainly from Federal funding for CDBG program assistance and Health and Social Services funding.

Intergovernmental Assistance



- **Department of Health and Human Services'** Income Maintenance revenue increase of \$636,000 is primarily associated with the State transferring the **Medical Assistance (MA) and Food Stamps** program administration from the contract service provider back to the County. From 1998-2001, the Food Stamps and MA program for W-2 clients was administered through a contract with a private provider, decreasing funding by \$1.2 million (* Chart Footnote). Beginning in 2002, the state budget includes law changes reinstating the requirement for the County to directly provide these services which results in increased costs and revenue reimbursements to the County.
- **Health and Human Services -Long Term Care and Parent Services/Alternate Care** Community Integration funding revenue increase of \$547,000 for disabled clients, partially offset by a reduction of \$203,000 of Community Options funding due to changes in client mix and their care plans.
- State **transportation aids** for highways increase \$243,000.
- The state **recycling grant** revenue increases \$237,200 over 2001 adopted county budget levels to reflect budgeted state recycling grant allocations.
- **District Attorney** revenue increase of \$176,600 includes increased State funding for the repeat OWI offender program (\$61,500) and first time budgeting for funding for the Preventing Alcohol Related Crash (PARC) taskforce (\$105,000).
- **State shared revenues** are projected to decrease by an estimated 5%, or \$57,200. This decrease is offset by an expected \$200,000 increase in the state payment replacing the local property taxes due to the personal property tax exception of computer equipment.
- **Department of Health and Human Services** primary source of intergovernmental revenue, the **Basic County Allocation (BCA)** remains at the 2001 budgeted level of \$11.1 million. The lack of an increase in this state/federal funding source is the primary driver behind increasing Health and Human Services local levy need. Human Services levy increases \$868,000 or 5.8% in 2002.

Charges for Services:

Charges for County services (user fees) are budgeted at \$21,122,063, which represents an increase of approximately \$9,800 or less than 0.01% from the 2001 adopted budget.

User Fees are charges for specific government services to those who utilize those services. They provide an equitable, proportional method to continue service operations without charging the general population. User fees collected include fees for document recording and real estate transfer and public admission for recreation usage (PLE), health care and services (HHS), and inmate stays, contracted patrols, and legal / judicial services (JLE).

- **Federal Prisoner revenue** reimbursement for inmate stays at the County main jail is being reduced by a net \$290,000 in the 2002 budget. The sheriff revenue budget is reduced \$250,000 and public works building operations revenue is reduced \$100,000 for facilities and utilities cost reimbursement. This is the second year of a multi-year plan to phase out this revenue before the end of the Federal Marshal contract expires in June 2003. The Sheriff is budgeting \$61,000 of increased prisoner board revenues for Foreign National (illegal immigrant) inmates to help offset this decrease.

2002 REVENUE HIGHLIGHTS

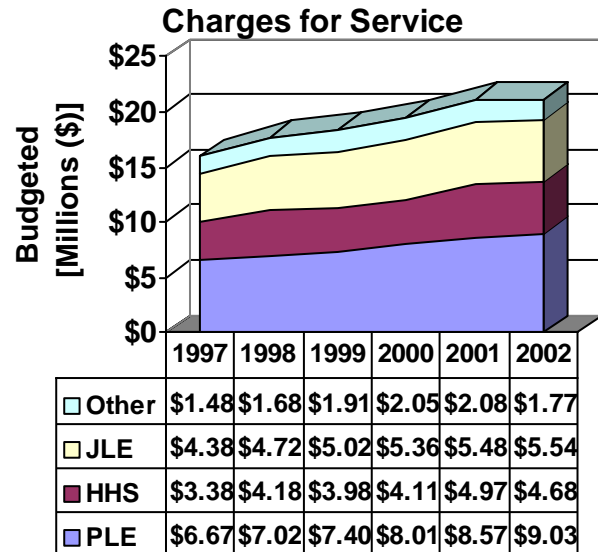
- **Department of Health and Human Services** includes revenue decrease of \$282,700 primarily resulting from the transfer of Food Stamp and Medical Assistance determination responsibility transferring from private W-2 contracted vendor back to a County responsibility. Previously the contract vendor purchased County staff services.

- **Public Works** is budgeting a \$307,800 decrease in revenues based on \$100,000 Prisoner Board Revenue (previously mentioned) for facility related costs and \$207,800 of decreased rental income, mainly from SEWRPC vacating the Courthouse annex space.

- **Contracted Municipal Police Service** revenue increases \$196,000 mainly due to 1) the Village of Sussex requesting expanded service (\$109,000) and 2) the fourth year phase in of full direct cost on the patrol service contracts (\$58,800).

- **Register of Deeds** real estate transfer and recording fee revenues are budgeted \$96,000 higher than the 2001 budget. The increase reflects higher property values and an increase in the number of recorded pages per document. Document volume remains at the 2001 budgeted level of 110,000 documents.

- **Parks and Land Use** charges increase \$343,400 consisting primarily of golf course fees of \$175,000, Exposition Center of \$75,000, first time yard waste program tipping fees from municipal partners of \$54,000 and park fees of \$24,000.



Fines and Licenses:

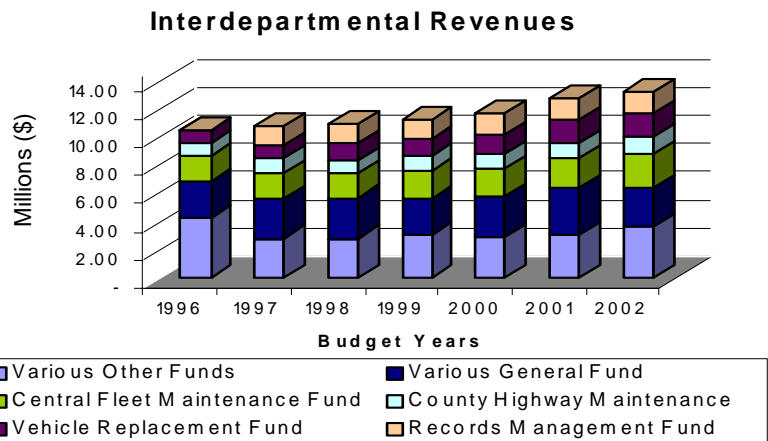
Overall fine and license revenues total slightly more than \$2,503,500 in 2002, an increase of more than \$90,000, or 3.7% from the 2001 adopted budget.

- **Parks Department** increases \$48,500 through increased license revenue of \$35,500 and permit revenue of \$13,000.
- **Public Works** various permit fee revenue increases \$22,000.

Interdepartmental Revenues:

2002 interdepartmental revenues total more than \$13,317,569, an increase of \$493,595 or 3.8% from the 2001 adopted budget.

- Revenue increases are realized across multiple internal service funds, such as the **End User Technology Fund** for computer replacement for \$320,000.
- **Public Works** department increases \$599,500 primarily due to vehicle lease charges of \$191,700, fuel of \$145,200, equipment use of \$100,000, and vehicle repair and maintenance of \$79,100.
- **Department of Senior Services** revenue decrease of \$597,000 as the cross charging for transit services is discontinued as Human Services will directly budget for this service, eliminating the administration time within Senior Services.



2002 REVENUE HIGHLIGHTS

Other Revenues (Excludes fund balance appropriations):

(Note: Other Revenues described here exclude fund balance appropriations. However, the Other Revenues identified in the Agency and Organization Summary detail include surplus unreserved fund balance appropriated to reduce the amount of taxes levied.)

Revenues from other sources in the 2002 budget total almost \$14.5 million. This represents an increase of almost \$1.3 million or 9.5% from the 2001 adopted budget.

- **Department of Health and Human Services** federal **Community Services Deficit Reduction** (CSDR) funding revenues increase \$300,000 to a 2002 budget level of \$610,000. This revenue source is based on 50% federal reimbursement of prior year County tax levy funded expenses that were in excess of the Medical Assistance rates paid by the State of Wisconsin.
- **Investment** revenues are projected to increase by \$413,000, primarily driven by the **Treasurer's Department** increase of \$250,000 and **Parks** enterprise operations of \$95,000. The increase reflects higher invested cash balances, stable but slightly lower investment rates of return and Department of Administration's improved investment cash management practices.
- **Health and Human Services** Social Security, Supplemental Security Income and Institute collection increase \$260,000 (as client payee) related to expected additional disabled clients, higher mental health center admissions and institute inpatient activity.
- **Parks and Land Use** includes \$102,000 from mining royalty charges related sale of gravel related to the development of a privately operated county yard waste processing program on county owned property. The resulting compost will be used to reclaim the adjacent county gravel pit.

Debt Financing:

The 2002 budget includes borrowing of \$9,900,000 to finance a portion of 2002 capital projects. This represents no change in the level of borrowing from the 2001 adopted budget.

Appropriated Fund Balance:

To reduce the 2001 tax levy (for 2002 budget purposes), the budget includes fund balance appropriations of \$13,726,480, mainly for one time projects. This includes \$6,328,480 for the operating budget and \$7,398,000 for the Capital Projects budget.

Capital budget appropriations of fund balance include: \$4.7 million for the Justice Facility Project from prior year's jail assessment fees; \$400,000 of Highway fund balance; \$240,000 of General fund balance for the Shared Dispatch center; \$200,000 of Airport Fund Balance; \$200,000 of End User Technology Fund balance; \$1.6 million of General Fund balance for the courthouse remodeling; and \$50,000 of Telecommunications Fund balance.

Operating budget fund balance appropriations, mainly for one time expenditure items, of most significance includes: \$805,000 related to debt service of which \$650,000 is designated 2001 (prior year) investment income; \$400,000 of Golf Course retained earnings for one time fixed asset and equipment items and \$250,000 general fund balance for parkland acquisitions in the Tarmann Fund; \$419,300 of Human Services fund balance; \$262,500 of Non-Departmental End User Technology Fund; General fund balance of \$1 million for the Contingency and \$1 million for Non-Departmental End User Technology Fund; \$164,500 (to reduce taxes) for 2000 Tax Incremental District receipts from dissolved TIF's; \$153,600 for general fund park one time start-up costs, \$70,000 for prior year start up cost repayments to reduce the tax levy from the Collections Fund, \$188,000 for Radio Services to fund depreciation expense increase, \$149,100 for Risk Management; \$127,000 for Central Fleet; \$691,300 for Parks and Land Use Enterprise Operations; \$174,000 for Airport; \$124,800 for Child Support; \$176,400 for Sheriff, \$95,000 of general fund balance for metro drug relocation.

Tax Levy and Property Assessed Valuation:

The overall 2001 tax levy (for 2002 budget purposes) is \$77,587,560, which represents an increase of \$4,430,324 or 6.06% from the 2001 adopted budget. The total tax levy consists of general County purpose tax levy of \$75,223,129, a \$4,249,071 or 5.99% increase from the 2001 adopted budget, and the Federated Library tax levy of \$2,364,431, an increase of \$181,253 or 8.30% from the 2001 adopted budget.

The tax levy rate for the general County portion of the budget is adopted at \$2.4208 per \$1,000 of equalized value, a decrease of \$0.043 or 1.76%. The tax levy rate for the Federated Library System is adopted at \$0.2703 per \$1,000 of equalized value, a decrease of \$0.002 or 0.69%.

The County's equalized property valuation (excluding Tax Incremental Financing Districts) as determined by the Wisconsin Department of Revenue is at \$31,074,293,750, an increase of more than \$2.27 billion or 7.89% from the previous year.